

Introduced by Committee on Governmental Organization (Senators Wright (Chair), Benoit, Calderon, Denham, Florez, Harman, Negrete McLeod, Oropeza, Padilla, Romero, Wiggins, Wyland, and Yee)

March 19, 2009

An act to amend Section 19805 of, and to add Section 19824.5 to, the Business and Professions Code, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

SB 829, as introduced, Committee on Governmental Organization. Gambling: licenses.

The Gambling Control Act provides for the licensure of certain individuals and establishments involved in various gambling activities, and for the regulation of those activities, by the California Gambling Control Commission. The act provides for the appointment of an executive director by the commission. Existing law also requires certain persons employed in the operation of a gambling enterprise, known as key employees, to apply for and obtain a key employee license.

This bill would include surveillance managers or supervisors in the definition of "key employee" and make other technical changes to these provisions.

This bill would also authorize the executive director and members of the commission to administer oaths and certify official acts in connection with the business of the commission.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 19805 of the Business and Professions Code is amended to read:

19805. As used in this chapter, the following definitions shall apply:

(a) “Affiliate” means a person who, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, a specified person.

(b) “Applicant” means any person who has applied for, or is about to apply for, a state gambling license, a key employee license, a registration, a finding of suitability, a work permit, a manufacturer’s or distributor’s license, or an approval of any act or transaction for which the approval or authorization of the commission or department is required or permitted under this chapter.

(c) “Banking game” or “banked game” does not include a controlled game if the published rules of the game feature a player-dealer position and provide that this position must be continuously and systematically rotated amongst each of the participants during the play of the game, ensure that the player-dealer is able to win or lose only a fixed and limited wager during the play of the game, and preclude the house, another entity, a player, or an observer from maintaining or operating as a bank during the course of the game. For purposes of this section it is not the intent of the Legislature to mandate acceptance of the deal by every player if the department finds that the rules of the game render the maintenance of or operation of a bank impossible by other means. The house shall not occupy the player-dealer position.

(d) “Chief” means the head of the entity within the department that is responsible for fulfilling the obligations imposed upon the department by this chapter.

(e) “Commission” means the California Gambling Control Commission.

(f) “Controlled gambling” means to deal, operate, carry on, conduct, maintain, or expose for play any controlled game.

(g) “Controlled game” means any controlled game, as defined by subdivision (e) of Section 337j of the Penal Code.

(h) “Department” means the Department of Justice.

1 (i) “Director” means any director of a corporation or any person
2 performing similar functions with respect to any organization.

3 (j) “Finding of suitability” means a finding that a person meets
4 the qualification criteria described in subdivisions (a) and (b) of
5 Section 19857, and that the person would not be disqualified from
6 holding a state gambling license on any of the grounds specified
7 in Section 19859.

8 (k) “Game” and “gambling game” means any controlled game.

9 (l) “Gambling” means to deal, operate, carry on, conduct,
10 maintain, or expose for play any controlled game.

11 (m) “Gambling enterprise employee” means any natural person
12 employed in the operation of a gambling enterprise, including,
13 without limitation, dealers, floor personnel, security employees,
14 countroom personnel, cage personnel, collection personnel,
15 surveillance personnel, data-processing personnel, appropriate
16 maintenance personnel, waiters and waitresses, and secretaries, or
17 any other natural person whose employment duties require or
18 authorize access to restricted gambling establishment areas.

19 (n) “Gambling establishment,” “establishment,” or “licensed
20 premises,” except as otherwise defined in Section 19812, means
21 one or more rooms where any controlled gambling or activity
22 directly related thereto occurs.

23 (o) “Gambling license” or “state gambling license” means any
24 license issued by the state that authorizes the person named therein
25 to conduct a gambling operation.

26 (p) “Gambling operation” means exposing for play one or more
27 controlled games that are dealt, operated, carried on, conducted,
28 or maintained for commercial gain.

29 (q) “Gross revenue” means the total of all compensation received
30 for conducting any controlled game, and includes interest received
31 in payment for credit extended by an owner licensee to a patron
32 for purposes of gambling, except as provided by regulation.

33 (r) “Hours of operation” means the period during which a
34 gambling establishment is open to conduct the play of controlled
35 games within a 24-hour period. In determining whether there has
36 been expansion of gambling relating to “hours of operation,” the
37 department shall consider the hours in the day when the local
38 ordinance permitted the gambling establishment to be open for
39 business on January 1, 1996, and compare the current ordinance
40 and the hours during which the gambling establishment may be

1 open for business. The fact that the ordinance was amended to
2 permit gambling on a day, when gambling was not permitted on
3 January 1, 1996, shall not be considered in determining whether
4 there has been gambling in excess of that permitted by Section
5 19961.

6 (s) “House” means the gambling establishment, and any owner,
7 shareholder, partner, key employee, or landlord thereof.

8 (t) “Independent agent,” except as provided by regulation, means
9 any person who does either of the following:

10 (1) Collects debt evidenced by a credit instrument.

11 (2) Contracts with an owner licensee, or an affiliate thereof, to
12 provide services consisting of arranging transportation or lodging
13 for guests at a gambling establishment.

14 (u) “Initial license” means the license first issued to a person
15 authorizing that person to commence the activities authorized by
16 that license.

17 (v) “Institutional investor” means any retirement fund
18 administered by a public agency for the exclusive benefit of federal,
19 state, or local public employees, any investment company
20 registered under the Investment Company Act of 1940 (15 U.S.C.
21 Sec. 80a-1 et seq.), any collective investment trust organized by
22 banks under Part Nine of the Rules of the Comptroller of the
23 Currency, any closed-end investment trust, any chartered or
24 licensed life insurance company or property and casualty insurance
25 company, any banking and other chartered or licensed lending
26 institution, any investment advisor registered under the Investment
27 Advisors Act of 1940 (15 U.S.C. Sec. 80b-1 et seq.) acting in that
28 capacity, and other persons as the commission may determine for
29 reasons consistent with the policies of this chapter.

30 (w) “Key employee” means any natural person employed in the
31 operation of a gambling enterprise in a supervisory capacity or
32 *who is* empowered to make discretionary decisions ~~that regulate~~
33 *with regard to* gambling operations, including, without limitation,
34 ~~pit bosses, shift bosses~~ *managers*, credit executives, cashier
35 operations supervisors, gambling operation managers and assistant
36 managers, managers or supervisors of security employees,
37 *surveillance managers or supervisors*, or any other natural person
38 designated as a key employee by the department for reasons
39 consistent with the policies of this chapter.

1 (x) “Key employee license” means a state license authorizing
2 the holder to be employed as a key employee.

3 (y) “License” means a gambling license or key employee license.

4 (z) “Licensed gambling establishment” means the gambling
5 premises encompassed by a state gambling license.

6 (aa) “Limited partnership” means a partnership formed by two
7 or more persons having as members one or more general partners
8 and one or more limited partners.

9 (ab) “Limited partnership interest” means the right of a general
10 or limited partner to any of the following:

11 (1) To receive from a limited partnership any of the following:

12 (A) A share of the revenue.

13 (B) Any other compensation by way of income.

14 (C) A return of any or all of his or her contribution to capital of
15 the limited partnership.

16 (2) To exercise any of the rights provided under state law.

17 (ac) “Owner licensee” means an owner of a gambling enterprise
18 who holds a state gambling license.

19 (ad) “Person,” unless otherwise indicated, includes a natural
20 person, corporation, partnership, limited partnership, trust, joint
21 venture, association, or any other business organization.

22 (ae) “Player” means a patron of a gambling establishment who
23 participates in a controlled game.

24 (af) “Player-dealer” and “controlled game featuring a
25 player-dealer position” refer to a position in a controlled game, as
26 defined by the approved rules for that game, in which seated player
27 participants are afforded the temporary opportunity to wager
28 against multiple players at the same table, provided that this
29 position is rotated amongst the other seated players in the game.

30 (ag) “Publicly traded racing association” means a corporation
31 licensed to conduct horse racing and simulcast wagering pursuant
32 to Chapter 4 (commencing with Section 19400) whose stock is
33 publicly traded.

34 (ah) “Qualified racing association” means a corporation licensed
35 to conduct horse racing and simulcast wagering pursuant to Chapter
36 4 (commencing with Section 19400) that is a wholly owned
37 subsidiary of a corporation whose stock is publicly traded.

38 (ai) “Renewal license” means the license issued to the holder
39 of an initial license that authorizes the license to continue beyond
40 the expiration date of the initial license.

1 (aj) “Work permit” means any card, certificate, or permit issued
2 by the commission, or by a county, city, or city and county, whether
3 denominated as a work permit, registration card, or otherwise,
4 authorizing the holder to be employed as a gambling enterprise
5 employee or to serve as an independent agent. A document issued
6 by any governmental authority for any employment other than
7 gambling is not a valid work permit for the purposes of this chapter.
8 SEC. 2. Section 19824.5 is added to the Business and
9 Professions Code, to read:
10 19824.5. The executive director and members of the
11 commission may administer oaths and certify official acts in
12 connection with the business of the commission.